

CP 16- 454

Congress of the United States

Washington, DC 20510

May 18, 2018

OFFICE OF
EXTERNAL AFFAIRS

2018 MAY 29 P 5:54

FEDERAL ENERGY
REGULATORY COMMISSION

The Honorable Kevin J. McIntyre
 The Honorable Cheryl LaFleur
 The Honorable Neil Chatterjee
 The Honorable Robert Powelson
 The Honorable Richard Glick
Federal Energy Regulatory Commission
 888 First Street, NE
 Washington, DC 20426

Honorable Commissioners,

We write to express our strong support for the Rio Grande LNG project and the associated Rio Bravo Pipeline proposals for Southwestern Texas. The economic, employment, trade, and national security benefits for our State and local communities, as well as the Nation, are immense. Further, the significant role this project will play in advancing the energy industry is compelling.

From an economic perspective, the Rio Grande LNG facility and associated Rio Bravo Pipeline will bring an investment of approximately \$17-\$20 billion to Texas and ranks as one of the largest proposed privately-funded project investments in the State. In fact, at full build out, the Rio Grande LNG facility will be among the largest capacity LNG facilities in North America and one of the largest in the world. Consequently, the project is projected to contribute up to \$35 billion to the U.S. gross domestic product during construction and an additional \$560 million annually thereafter once commercial operations commence. Such impressive economic benefits from a single project are rare and vital to our citizenry, especially in areas of our State that are in desperate need of revitalization and investment.

The employment benefits from the Rio Grande LNG project are similarly impressive. During construction alone, the facility expects to generate more than 400,000 person-years of employment which equates to more than 6,000 jobs. Upon commencement of operations, it is estimated that the facility will create approximately 4,900 permanent full-time jobs in the United States, 4,500 of which will be based in the State of Texas. Of these permanent jobs, approximately 3,250 are expected to be located in Cameron County, Texas, one of the most economically depressed municipalities in the United States. These jobs will span the business services, maintenance, manufacturing, and transportation sectors and will provide a wealth of new opportunities for our citizens to find important and sustainable work in areas where those options can be limited.

The implications for international trade are also significant. As you are likely aware, the Rio Grande LNG facility is strategically located in close proximity to the Permian Basin which has and continues to experience a surge in natural gas production. This has created a surplus of


2018-00060


natural gas supply in the domestic market and opened up opportunities to sell the excess capacity to foreign buyers in the form of LNG. Rio Grande LNG is well-positioned to lead what is widely expected to be the upcoming second wave of LNG exports. In doing so, the Rio Grande LNG project will provide an outlet and new international markets for domestic natural gas while simultaneously serving to reduce our trade deficit and support our domestic energy producers. This kind of project will help make the local port a more desirable location for additional projects beyond just this facility.

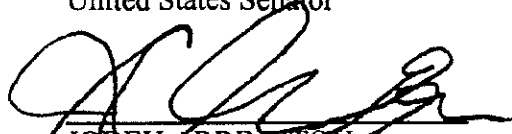
Finally, the Rio Grande LNG project is important to our nation's national security. Many of the world's largest producers of natural gas are state actors with agendas firmly contrary to the United States. Unfortunately, this means that many of our allies, particularly those in Europe and Asia, are hostages to and in a perpetual state of energy dependence on those countries that potentially oppose the interests of the United States. LNG exports from the Rio Grande LNG facility to these allies will therefore serve to substantially reduce our allies' dependence on natural gas supplied by such unfriendly actors. This in turn will provide the United States greater national security as the influence of such hostile countries wanes on the international stage in the face of decreased reliance by our friends across the globe.

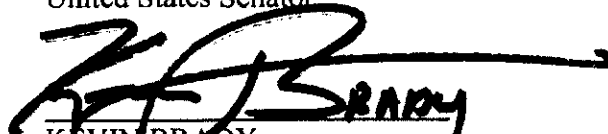
While it is true that each infrastructure project has unique and differentiating elements that merit careful review, we expect that the regulatory process will be advanced in a reasonable and timely manner. We appreciate your dedication to advancing the permitting process in a swift manner and look forward to your update on the project and its status within the Commission.

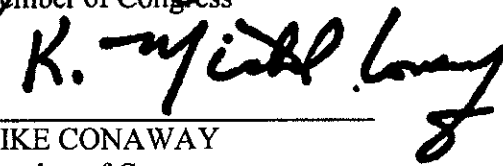
Sincerely,

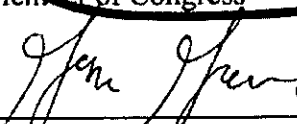

JOHN CORNYN
United States Senator


TED CRUZ
United States Senator


JODEY ARRINGTON
Member of Congress


KEVIN BRADY
Member of Congress


MIKE CONAWAY
Member of Congress


GENE GREEN
Member of Congress


PETE OLSON
Member of Congress

Document Content(s)

14934625.tif.....1-2